



# ANTICIPATED RETURNS

<b>Issuer:</b>	B Entertainment, LLC
<b>Security:</b>	Convertible Collateralized Notes
<b>Interest Rate:</b>	6% per annum, paid monthly
<b>Term:</b>	60 months
<b>Conversion Price:</b>	\$5.00 per Non-Voting Unit
<b>Equity Warrant:</b>	10,000 Warrant Units per \$100,000 Note, Exercisable at \$2.50 per Non-Voting Unit
<b>Offering Amount:</b>	\$30,000,000
<b>Total Targeted Return:</b>	535% over a five-year hold, assuming future equity value of \$21 per Non-Voting Unit

## A. Anticipated Returns

### A.1 Return on Capital

We expect Investors in this offering to realize a return on their investment from three primary sources:

1. Interest Payments
2. Convertible Equity Value
3. Value of Warrant Units

#### A.1.1 Interest Payments

Lenders in the offering will earn interest of 6% per annum, paid monthly.

### A.1.2 Convertible Equity Value

In addition to the fixed income value of this security, Lenders will have the ability to convert their Note at any time into Non-Voting Membership Units of the Company at a price of \$5.00 per unit. Upon conversion, Lender exchanges their Note for Non-Voting Membership Units. Based on the Company's anticipated growth rate and financial forecasts coupled with industry comparables of publicly traded companies, Management anticipates the fully diluted value of the Company's equity to be more than \$21 per unit at some point in the next 60 months. The Company anticipates having a total of 12 campuses open and operating during the next five years, all of which we intend to finance through capital raised in this Offering and in conjunction with build to suit developers. Each campus is expected to generate at least \$12,000,000 in revenue and earn \$2,000,000 per year. Upon a successful public listing of the Company's equity through an IPO or DPO, Management believes it can realize a multiple of earnings north of 35 times, which would result in a unit price of \$21, based on being categorized as a live event operator, with an anticipated compounding average growth rate of more than 40%.

Assuming the Lender does not convert their Note until the 60th month, the Lender would have generated a 45% return from interest payments alone and would have realized a return of roughly 320% on the value of their principal by converting their Note to Non-Voting Membership Units at a price of \$5.00 per unit, if the marketable value of the Company's equity is \$21 per unit.

### A.1.3 Value of Warrant Units

Investors in this offering will receive 10,000 Warrant Units for every \$100,000 invested in this Note, which can be exercised at a price of \$2.50 per Non-Voting Unit for up to three years. Under this assumption the Company's equity will achieve a value of \$21 per share during the next 60 months, and the Warrant Units in this offering would generate an additional return of \$185,000 in value per \$100,000 invested in this Note, upon being exercised.

Principal	\$ 100,000
5-Yr Projected Equity Value per Unit	\$ 21.00
Units Upon Conversion (Basis \$5.00 per Unit)	20,000
Warrant Units (Basis \$2.50 per Unit)	10,000
Interest Year 1	\$ 6,000
Interest Year 2	\$ 6,000
Interest Year 3	\$ 6,000
Interest Year 4	\$ 6,000
Interest Year 5	\$ 6,000
Net Return of Converted Units	\$ 320,000
Net Return of Warrant Units	\$ 185,000
<b>Total Targeted Return (\$)</b>	<b>\$ 535,000</b>
Total Targeted Return (%)	535%

*\*The Target Total return assumes the Lender does not convert their Note into equity until they have received the maximum number of interest payments over the five-year term of the Note. Additionally, the value of the Converted Units and Warrant Units is based on an assumption that the Company's equity will have a present value of \$21 per unit at the time of the conversion. The projected equity value per unit is based on market comparable multiples in the entertainment industry, as further described in Section G.4. There is no guarantee multiples in the entertainment industry will be applied to the Company or maintain current levels over the following five years.*